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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

June 23, 2004

Vance Day, Treasurer
Oregon Republican Party
2720 Commercial St SE #210
Salem, OR 97302

Response Due Date:
July 23, 2004

Identification Number: C00153031

Reference: May Monthly Report (4/1/04-4/30/04)

Dear Mr. Day:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Line 21(b) of the Detailed Summary Page of your report discloses a total of \$0 in "other federal operating expenses." The sum of the entries itemized on Schedule B, however, indicates the total to be \$19,044.14. Please amend your report to clarify the discrepancy.

-The totals listed on Lines 7, 21(b), 21(c), 31 and 32, Column B of the Summary and Detailed Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.1(c) prohibit a state, district or local

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party committee (combined) from receiving any contribution from a person or non-multicandidate political committee in excess of \$10,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the retribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek retribution, transfer-out or refund the excessive amount will be taken into consideration.

-The totals listed on Lines 1(a) and 1(b), Column B of the Schedule L Aggregation Page for the KEY LEVIN account appear to be incorrect. Please be advised that you should add the "Column B Year-to-Date" total

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from your previous report to the current "Column A Total This Period" figure to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-On the Schedule L Aggregation Page for the KEY LEVIN account, the beginning cash balance, Line 7, Column A, should equal the ending balance, Line 11, Column A, of your previous report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$ 9,975.00 for "DIRECT MAIL," "FUNDRAISING MAIL" and "TELEMARKETING." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "FEA REIMBURSE FOR EXPENSES." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "health insurance." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

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Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "direct mail." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses a disbursement(s) for "4-20-04 Wendt contribution re-alloc" and "Ruth Bielsberg Re-allocation." Please be advised that transfers to your non-federal account for activity that was not previously allocable does not qualify as shared expenses to be allocated between your federal and non-federal accounts. Any reimbursement from your committee's non-federal account for any portion of this transfer is not permissible. 11 CFR §102.5(a)(1)(i)

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non-federal portion, back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

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-On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative Category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive and exempt activity costs are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to check the appropriate allocated activity or event category box for all payments. Please amend your report to disclose the appropriate category.

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the purpose. 11 CFR §104.11

-Schedule B supporting Line 21(b) of your report discloses payment(s) for "FEA REIMBURSE FOR EXPENSES," "FEA REIMBURSE FOR TRAVEL EXPENSES," "FEA PAYROLL TAXES" and "FEA PAYROLL TAX" which appears to be disclosed on the wrong line of the Detailed Summary Page. Please be advised that Federal Election Activity that is paid entirely with federal funds should be reported on Line 30(b). 11 CFR §100.24 Please amend your report to properly disclose this activity on a separate Schedule B supporting Line 30(b).

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

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Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1135.

Sincerely,

A handwritten signature in black ink, appearing to read "Maureen Benitz", written over a circular stamp.

Maureen Benitz

Senior Campaign Finance Analyst
Reports Analysis Division

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Contributor Name	Date	Amount	Report
Wendt, Rod	04/20/04	\$12,500.00	May Monthly
Wendt, Carol	04/20/04	\$12,500.00	May Monthly

